

Thursday 9th December 2004

EQUATOR EXPLORATION LIMITED
 (“Equator” or “the Company”)

**First day of dealings on the Alternative Investment Market
 of the London Stock Exchange (AIM)**

Equator is an oil and gas exploration company with interests in the highly prospective waters of São Tomé and Príncipe in the Gulf of Guinea. Equator is pleased to announce today the commencement of trading in and the admission of its shares to AIM.

At the placing price of 100 pence per share, the Company has raised new money of £56.3 million (after expenses). On admission and at the placing price the market capitalisation of Equator will be approximately £113 million.

Nabarro Wells & Co. Limited is the Nominated Adviser and ODL Securities Limited is Broker to the Company.

Placing Statistics:

Placing price	100p
Number of new common shares being issued in the placing	60,000,000
Net proceeds raised by the placing	£56.3 million
Number of common shares in issue immediately following the placing	113,400,124
Market capitalisation following the placing at the placing price immediately following AIM Admission	£113.4 million

Commenting on Equator’s successful IPO, Wade Cherwayko, Chief Executive, commented:

“The flotation of Equator has provided investors with a unique opportunity to invest in the highly prospective deepwater oil exploration potential in the Gulf of Guinea, West Africa. We have been delighted with the institutional response, with the issue being significantly oversubscribed. The flotation on AIM will provide us with the necessary capital and company structure to develop our existing interests as well as make strategic acquisitions of additional assets within the region.”

For further information, contact:

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Copies of the AIM admission document are available from the Company’s website: www.equatorexploration.com, Buchanan Communications or Nabarro Wells & Co.

Background Information on Equator

Equator is a BVI company incorporated in December 2000. The Company explores for and develops oil projects, primarily in the highly prospective waters of the Gulf of Guinea.

Equator's objective is to build a diversified portfolio of exploration, appraisal and production assets in the region. The Company will initially focus its efforts in West Africa, in particular the territorial waters of São Tomé and Príncipe where Equator has been active since 2001. Equator is also evaluating opportunities in Nigeria and Equatorial Guinea.

In the spring of 2001, the governments of São Tomé and Príncipe and Nigeria reached an agreement over a long-standing maritime border dispute. Under the terms of the 2001 Treaty, the Joint Development Zone (JDZ) was established governing the disputed boundary area for commercial exploitation. The rest of the claimed territorial waters of São Tomé and Príncipe is known as the Exclusive Economic Zone (EEZ), which encompasses an area of approximately 160,000 km².

In recent years West Africa has become a world leader in offshore deepwater exploration and production. Deepwater discoveries in Equatorial Guinea and Nigeria, coupled with hydrocarbon finds offshore Gabon, suggest geological extensions into the territorial waters of São Tomé and Príncipe. In addition, seismic data for the region indicate widespread prospectivity in the waters of São Tomé and Príncipe.

Equator, through its wholly owned subsidiary Aqua Exploration, owns the right to acquire a 100 per cent working interest in two blocks of its choice in the EEZ. Equator also has the option to participate with the Government, up to a maximum of 15 per cent, in any Government participating interest options in the EEZ.

Equator has reviewed 8,000 km of 2D seismic acquired in the EEZ, including 5,100 km of seismic acquired by Equator and PGS Exploration (UK) Limited in 2002 and 2003. The seismic data shows widespread prospectivity and hydrocarbon potential similar to deepwater blocks in Nigeria and Equatorial Guinea. Four play types have been identified with the presence of a number of leads and prospects.

Equator plans to select its two option blocks and commence negotiations on production sharing contracts with the Government for each block by the end of the year. Once the production sharing contracts are finalised, Equator then intends to undertake a 2D and 3D seismic programme on each block prior to farm-out and drilling of the two blocks.

Equator also generates revenue from the marketing and sale of seismic data that it has acquired, jointly with PGS Exploration, in the EEZ and the JDZ. Under the seismic agreements, Equator is entitled to a share of licensing fees from the sale of seismic data previously funded by PGS Exploration and Equator in the JDZ and EEZ. It is expected that the revenue sharing arrangement will continue for further 2D seismic data acquired by Equator and PGS Exploration in the EEZ.

Equator is seeking admission to AIM in order to widen its investor base and to have access to equity capital markets.

The net proceeds of the placing, together with the proceeds of two earlier rounds of funding, will be applied over the next 15 months to Equator's planned expenditures on its interests in the EEZ amounting to approximately \$23 million. The net proceeds will also be used to fund acquisition opportunities in Africa as they become available and for general corporate expenses.